

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF MARYLAND
Baltimore Division**

In re:

FREDERICK B. KNOTT, SENIOR

Debtor.

**Case No. 11-29141-NVA
Chapter 7**

**FREDERICK KNOTT, SENIOR and
JOHN LESCHEFSKY,**

Plaintiffs,

vs.

**STATE EMPLOYEES CREDIT UNION OF
MARYLAND, INC.,**

PAUL DIEM,

JOHN F. BROWN, Trustee, and

JAMES R. BROWN, Trustee,

Defendants.

Adv. Proc. No. _____

NOTICE OF REMOVAL

Defendant, State Employees Credit Union of Maryland, Inc. ("SECU"), by and through its attorneys, Mark W. Schweitzer, Justin P. Fasano, and McNamee, Hosea, Jernigan, Kim, Greenan & Lynch, P.A., and pursuant to 28 U.S.C. §§ 1446 and 1452, and Fed. R. Bankr. Proc. 9027, gives notice of its removal of the present action, and says:

1. On September 23, 2011, Frederick B. Knott, Senior (the “Debtor”) filed for Chapter 7 Bankruptcy, commencing case no. 11-29141-NVA (the “Bankruptcy Case”) in the United States Bankruptcy Court for the District of Maryland (the “Bankruptcy Court”).

2. On June 30, 2016, the Debtor filed an Amended Motion to Reopen Case, seeking to reopen the Bankruptcy Case. Main Case, Docket No. 60. In the Amended Motion to Reopen Case, the Debtor alleged, *inter alia*, that a certain foreclosure sale (the “Foreclosure Sale”) violated the automatic stay and that therefore the Bankruptcy Court should reopen the Bankruptcy Case so that he could request that the Foreclosure Sale be deemed void, and so that he and non-debtor John Leschefskey would be deemed the 50% owners of certain real property located at 1517 West 36th Street, Baltimore, Maryland (the “Property”).

3. The Amended Motion to Reopen was granted on October 28, 2016. Main Case, Docket No. 72.

4. On November 24, 2016, the Debtor filed an adversary complaint in the Bankruptcy Court against the foreclosing lender, Boardwalk 2001, LLC, and the two trustees under the foreclosing lender’s deed of trust, Jay A. Dackman, and Jeffrey B. Schultz, commencing Adv. Proc. No. 16-00548-NVA (Bankr. D. Md.). In that adversary proceeding, the Debtor seeks, *inter alia*, to deem the Foreclosure Sale a nullity.

5. On December 29, 2016, the Debtor and the other former 50% owner of the Property, John Leschefskey, filed a lawsuit in the Circuit Court for Baltimore City, Maryland (the “State Court”), case no. 24C16007095 (the “State Court Lawsuit”) against Paul Diem (the current owner of the Property), SECU (the beneficiary of a deed of trust granted by Mr. Diem, which encumbers the Property) and the two trustees under SECU’s Deed of Trust on the Property, John F. Brown and James R. Brown. The State Court Lawsuit seeks to declare the

Foreclosure Sale a Nullity and quiet title to the Property, so that the Debtor and John Leschefskey are deemed the owners of the Property and so that the current owner and SECU, and the two trustees under the SECU's deed of trust have no interest in the Property.

6. On January 12, 2017, the Debtor served SECU with the State Court Lawsuit. No party has yet filed an answer to the State Court Lawsuit.

7. Pursuant to 28 U.S.C. § 1452(a), SECU seeks removal of all claims in the State Court Lawsuit as claims related to the Bankruptcy Case as contemplated by 28 U.S.C. § 1334(b). This notice is being filed in the State Court and the Bankruptcy Court. The filing of this notice in the State Court shall bar continuation of the proceedings in the State Court and constitutes a removal of the State Court Lawsuit pursuant to Federal Rule of Bankruptcy Procedure 9027(c). Upon its removal, the removed State Court Lawsuit is a core proceeding. To the extent it is deemed to not be a core proceeding, SECU consents to final orders and judgments by the Bankruptcy Court.

Dated: February 7, 2017

Respectfully submitted,

/s/ Mark W. Schweitzer

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*Counsel for State Employees Credit Union of Maryland,
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CERTIFICATE OF SERVICE

I hereby certify that on February 7, 2017, a copy of the foregoing was served by CM/ECF to all parties receiving notice thereby, including the following attorneys.

- Monique D. Almy malmytrustee@crowell.com, cbest@crowell.com;malmy@ecf.epiqsystems.com
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And by first class mail, postage prepaid to:

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